GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Atmanirbhar Bharat Abhiyan - Government Guarantee and conforming to guidelines – Government guarantee for availing loan of Rs.6600.00 Cr from M/s. PFC and M/s REC to liquidate DISCOM payables out of total payables of Rs. 6673.31 Cr – Orders - Issued.

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ENERGY (POWER-III) DEPARTMENT

G.O.Ms.No.17 Dated 14th Day June, 2020

Read the following:

1. From the Director (Distribution), Ministry of Power, GoI, New Delhi Lr.No.06/01 (03)/2020-NEF (U), Dated 22.04.2020.
2. From the Director (Distribution), Ministry of Power, GoI, New Delhi Lr.No.06/01 (03)/2020-NEF (U), Dated 14.05.2020.
3. From the C&MD, PFC, GoI, New Delhi, Lr.No.01:01:CMD (S):2020, Dated 16.05.2020.
4. From the Chief Programme Manager, REC Ltd., Vijayawada, Lr.No.Nil, Dated 18.05.2020.
5. From the C&MD, APTRANSCO & Chairman, APPCC, Vijayawada, Lr.D.No.274/2020, Dated 23.05.2020.

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O R D E R:

In the reference 1st read above, the Ministry of power, Government of India, New Delhi issued guidelines to Power Finance Corporation Ltd., (PFC) and Rural Electrification Corporation Ltd., (REC) for lending money to DISCOMs at competitive rates in the unprecedented situation of acute liquidity crisis consequent to Covid – 19 outbreak to liquidate the liabilities of CPSU Gencos & Transcos, IPPs on behalf of the DISCOMs.

2. In the reference 2nd read above, the Ministry of Power, Government of India have issued guidelines on liquidity issue arising in power sector due to COVID19 as a part of the Atmanirbhar Bharat Abhiyan on 13.05.2020 where REC & PFC would extend special long term transition loans upto ten (10) years to DISCOMs.

3. In the reference 3rd read above, the Chairman & Managing Director, Power Finance Corporation, New Delhi have issued policy for availing financial assistance i.e. Special Long-Term Transition Loan to DISCOMs for COVID-19, which includes liquidity injection for DISCOMs.

4. In the reference 5th read above, based on the guidelines / conditions issued by the PFC/REC, Government of India, the Chairman & Managing Director, APTRANSCO & Chairman, APPCC has submitted the following details of State Government receivables, power purchase payables and pre-disbursement commitments:

(i) Receivables from Government (Rs Cr):

Sl No	Particulars	ARREARS					2019-20				
		Due on 31.3.19	Released 19-20	Less Loans	Less: GoAP Advance	Balance on 31.3.20	Demand	Released 19-20	Less Loans	Less GoAP Advance	Balance 31.3.20
1	Receivables towards Tariff Subsidy	7172.17	4000	2782.50	389.67	0	8254.50	5247.50	313.75	0	2693.25

Conti....d/-2

2	Receivable towards Dept. CC Charges	5222.7	1440.95	0	0.00	3781.75	3647.83	499.76	0.00	0	6929.82
2-B	Receivables from Govt. towards subsidy to SC/ST Domestic Consumers	197.73	41.13	0	0.00	156.6	394.73	204.58	0	0	346.75
3	Taken over of losses under UDAY Scheme	0.70	0.70	0	0	0	2983.46	429.71	2553.75	0	0
4	FRP Bonds balance to be taken over by Govt. under UDAY Schemes	797.7	0	0	0	797.7	60.35	0	0	0	858.05

(ii) Abstract of receivables from Government after adjusting advance and Govt. serviced loans (Rs Cr):

Sl.No.	Govt. Receivables	Total Loan Adjusted	Total GoAP Advance Adjusted	Total Cash Releases	Balance on 31.03.2020
1	Receivables towards Tariff Subsidy	3096.25	389.67	9247.5	2693.25
2	Receivable towards Dept. CC Charges	0	0	1940.71	6929.82
2-B	Receivables from Govt. towards subsidy to SC/ST Domestic Consumers	0	0	245.71	346.75
3	Taken over of losses under UDAY Scheme	2553.75	0	430.41	0
4	FRP Bonds balance to be taken over by Govt. under UDAY Schemes	0	0	0	858.05
	Total:	5650.00	389.67	11864.33	**10827.87**

(iii) Power Purchase Payables by APDISCOMs as on 31-03-2020 (other than State PSUs):

DISCOM	Total Dues (Rs. Cr)
APSPDCL	4538.2
APEPDCL	2135.1
Total	6673.3

(iv) Pre disbursement commitments (Rs Cr):

a. Liquidation plan for Government receivables and timely payment plan:-

Sl.No	Particulars	Dues as on 31.03.2020	2020-21	2021-22	2022-23
1	Liquidation Plan – Dept. CC Dues	7276.57	2425.00	2425.00	2426.57

Conti....d/-3

2	Liquidation Plan – Subsidy Arrears	3551.30	1184.00	1184.00	1183.30
3	Timely payment of Dept. CC Charges	--	4650.00	4650.00	4650.00
4	Timely payment of Tariff Subsidy	--	10836.00	10,000.00	10,000.00
	Total	**10827.87**	**19095.00**	**18259.00**	**18259.87**

b. Prepaid meters installation in all Government offices:-

DISCOM	No. of Offices	Cost per meter (Rs)	Total Cost (Rs. Cr)	Tentative Time period for installation
APEPDCL	103363	S-Ph: 7425	82.89	6 Months
APSPDCL	135262	3-Ph: 11128	128.50	
APCPDCL	57362		54.50	
Total	**315399**		**265.89**	

(v) Government Guarantees used till date by DISCOMs since state formation (Rs CR):

(Rs.in Cr)

Sl.No.	Particulars	2017-18	2018-19	2019-20
1	Government Guarantee issued	11416.36	--	6000.00
2	Used in lieu of Govt. Receivables with debt servicing by Discoms	--	--	9650.00 *
3	Used for Swapping of Discom loans with debt servicing by Discoms	--	2250.00	500.00
4	Used by APPFC/DISCOMS for other purposes	--	--	2850.00 **
5	**Cumulative balance Guarantee Available**	--	**9166.36**	**2166.36**

* Rs.4000.00 Cr towards Bonds, APPFCL Loans of Rs.5000.00 Cr + Rs.650.00 Cr receiving during 2020-21 (Rs.250.00 Cr on 06.04.2020, Rs.250.00 Cr on 06.05.2020 and Rs.150.00 Cr on 11.05.2020)

* * Rs.1500 Cr received from PFC, New Delhi, deposited in Government PD Account by DISCOMS and used for repaying the temporally advance obtained from Government of Andhra Pradesh.

(vi) Loan eligibility:

The eligibility for loan from PFC/REC is limited to the receivables from State Government which is Rs.10827.87 Cr. It was informed that the rate of interest and moratorium are as follows:

Tenure (Years)	Moratorium Period (Years)	Rate of Interest Per Annum
3	6 months	8.75 %
5	12 months	9.00 %
7	18 months	9.25 %
10	24 months to 36 months	9.50 %

Conti....d/-4

5. The Chairman and Managing Director, APTRANSCO & Chairman, APPCC while informing that the Power purchase dues of Rs.6671.31 Cr as on 31.03.2020 are less than the Rs.10827.27 Cr receivables from Government, has requested the Government to either,

i. provide Government guarantee of Rs.6673.31 Cr to enable APPFC to raise the loans from Banks/ Financial Institutions/ Market and provide to DISCOMs against debt repayment by Government;

(or)

ii. provide Government Guarantee of Rs.6673.31 Cr, and permit DISCOMs to avail loan from PFC/REC; and also accept the Atmanirbhar commitments stated above; and also adjust balance advance of Rs.389.67 Cr given by Government of Andhra Pradesh to DISCOMs.

6. In view of the circumstances explained in the references 1st to 5th read above and after careful examination of the matter, Government hereby:

(A) accord permission to DISCOMs for availing the loans for an amount of Rs.6600.00 Cr from M/s. PFC and M/s REC under Atmanirbhar Bharat Abhiyan to pay power purchase payables;

(B) agree to conform to the guidelines issued by Government of India as part of the Atmanirbhar Bharat Abhiyan under COVID -19 policy;

(C) provide Government Guarantee for an amount of Rs.6600.00 Cr to APDISCOMs subject to the following conditions, -

(i) these amounts are utilized only for power purchase charges, and

(ii) loan servicing (repayment of Interest and Principal) shall be done with the internal resources of DISCOMs; And also

(D) accord permission to adjust balance advance of Rs.389.67 Cr given by GoAP to DISCOMs;

(E) APPFCL shall service (Principle + Interest) of the loan amount (see para 4-ii above) of Rs.5650.00 Cr provided to APDISCOMs until it is repaid in full.

7. The Chairman & Managing Director, APTRANSCO and Chairman APPCC, and Chairman & Managing Director, APEPDCL/ APSPDCL/ APCPDCL and Managing Director, APPFCL shall take necessary action accordingly.

8. This order issues with the concurrence of the Finance Department, in U.O.No.FIN01-BUGT0DSM/11/2020-CDM, Dated.08.06.2020 (Computer.No. 1151781).

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SRIKANT NAGULAPALLI
SECRETARY TO GOVERNMENT

To
The Chairman & Managing Director, APTRANSCO &
Chairman, APPCC, Vijayawada.
The Chairman & Managing Director, APEPDCL, Visakhapatnam.
The Chairman & Managing Director, APCPDCL, Vijayawada.
The Chairman & Managing Director, APSPDCL, Tirupati.
The Managing Director, APPFCL, Vijayawada.
The Assistant Secretary to Govt., and Drawing & Disbursing Officer,
Energy (Claims) Department.

Conti.....d/-5

Copy to:
The Director of Treasuries and Accounts, Vijayawada.
The Pay & Accounts Officer, A.P., Ibrahimpatnam, Vijayawada.
The Principal Accountant General (A&E), A.P., Hyderabad for information.
The Finance (FMU)-Energy, I&I) Department for information.
The Prl.Secretary to CMO, GoAP for information.
The P.S. to Chief Secretary to Govt., for information.
The P.S. to Minister for Energy, EFS &T for information.
The P.S. to Secretary to Govt., Energy Dept., for information.
SF/SC. (File No.ENE01/339/2020, Comp.No.1150650).

// FORWARDED :: BY ORDER //

SECTION OFFICER